

Service Date: July 9, 1985

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF)	
THE MONTANA POWER COMPANY TO ISSUE)	DOCKET NO. 83.11.71
AN ADDITIONAL 200,000 SHARES OF ITS)	
COMMON STOCK IN CONNECTION WITH ITS)	ORDER NO. 5033A
DEFERRED SAVINGS PLAN.)	

APPLICATION

1. On June 25, 1985, The Montana Power Company ("Applicant") filed with the Montana Public Service Commission its verified application for authority to issue an additional 200,000 shares of its common stock in connection with its Deferred Savings Plan ("Plan") heretofore approved in this Docket.

The Applicant states that its Board of Directors has been informed that the supply of shares available under the Plan was anticipated to be exhausted by the end of July 1985 and that the above Application was duly authorized by resolutions of the Board of Directors. The application contains financial statements and other relevant exhibits.

Having considered the Application and being fully advised in the premises, the Commission makes the following:

FINDING OF FACT

That notice of the filing of the Application has been duly given; that due consideration has been given to the matters presented in connection therewith; and that the Application should be approved as hereinafter ordered.

CONCLUSION OF LAW

That the Application complies with MCA Section 69-3-501 through 69-3-507, inclusive, and other laws of Montana, and the same should be granted as hereinafter ordered.

ORDER

At a session of the Public Service Commission of the State of Montana held in its office at Helena, Montana, on July 8, 1985, there came before the Commission the Application above described. The Commission, being duly advised in the premises, makes and enters the following Orders:

IT IS ORDERED that the Application of the Applicant, The Montana Power Company, for an order authorizing the issuance of an additional 200,000 shares of its common stock in connection with its Deferred Savings Plan be granted.

IT IS FURTHER ORDERED that all other terms and conditions of Order No. 83.11.77 in this Docket remain in full force and effect.

DONE IN OPEN SESSION at Helena, Montana, this 8th day of July 1985, by a vote of 4—1.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

Clyde Jarvis, Chairman

John B. Driscoll, Commissioner

Howard L. Ellis, Commissioner

Tom Monahan, Commissioner
Dissenting

Danny Oberg, Commissioner

ATTEST:

Trenna Scofield
Commission Secretary

Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 28.2.4806, ARM.

I am dissenting in this matter for the reason that the issuance of stock develops a debt, which must be paid for by earnings. In order to maintain earnings, rates will have to go up. I am not categorically against the issuance of common stock, but since earnings are part of a formula used to defer— mine the rates, and since Montana Power Company must procure the funds to support the Company contribution to their Employee Stock Ownership Plan (ESOP) , I do not see how this employee windfall benefits the consumer in any way. There is no such thing as a free lunch.

TOM MONAHAN